

## **CABINET**

**Decision Notices and Minutes of a meeting of the Cabinet held on Tuesday, 23 February, 2010 at 5.00 p.m. at the Civic Offices, Telford**

**PUBLISHED ON MONDAY, 1<sup>st</sup> MARCH, 2010**

**(DEADLINE FOR CALL-IN THURSDAY, 4<sup>th</sup> MARCH, 2010)**

**PRESENT:** Councillors A. J. Eade (Leader and Chairman), S. Bentley, S.P. Burrell, E.J. Carter, M.B. Hosken, S.M. Kelly, A. Lawrence and J.M. Seymour

**ALSO PRESENT:** Councillors G.M. Green and V. Tonks (Opposition Group Leaders) and Councillor E.A. Clare (substitute for Labour Group Leader); Councillor W.L. Tomlinson – Chairman of Value for Money Scrutiny Group

### **CB-151      MINUTES**

**RESOLVED** – that the minutes of the meeting of the Cabinet held on 9<sup>th</sup> February, 2009 be confirmed and signed by the Chairman.

### **CB-152      APOLOGIES FOR ABSENCE**

Councillor R.K. Austin (Labour Group Leader)

### **CB-153      DECLARATIONS OF INTEREST**

None.

### **CB-154      SERVICE AND FINANCIAL PLANNING 2010/11 – 2012/13**

#### **Recommendation to Council- not subject to Call-In**

Councillor S.M. Kelly, Cabinet Member for Efficient, Community Focused Council, presented the joint report of the Chief Executive and the Chief Finance Officer that sought agreement of the Service & Financial Planning Strategy for the period 2010/11-2012/13 including specific budget proposals for 2010/11 for recommendation to Full Council on 4<sup>th</sup> March 2010. The report, together with those detailing the Capital Programme, the Treasury Management Strategy and the Prudential Indicators formed the overall Medium Term Service & Financial Planning framework for the Council, and proposed the service priorities and budget for 2010/11.

Since its launch on 8 December 2009, the budget strategy had been updated to include the financial consequences of some key capital schemes that had subsequently been approved by Cabinet. A number of key assumptions had also been reviewed (including treasury management interest rate and other projections), with some small additional cost which had been offset by additional savings that had been identified. However, projections for future years showed an increased budget shortfall that would need to be addressed

as part of the development of future service and financial planning strategies. Since the initial strategy was approved, Members had considered the responses from the extensive consultation process, which were set out in detail in an appendix to the report. Among the key messages from the Community Panel responses were 86% satisfaction rating with the way the Council runs things, and very high levels of support for the budget strategy, including the proposals for extra revenue funding for Adult and Children's Social Care, and the capital investment for regenerating the Borough Towns. As there had been very positive views from the community in support of the strategy, there were no significant changes to the original budget proposals other than building-in the cost of the additional capital projects and some additional savings.

The report set out the strategic and policy context behind the budget planning process, from which two key issues had emerged as the focus for attention:

- the need to ensure the on-going effective delivery of care and safeguarding services for vulnerable children and adults;
- addressing and seeking to mitigate the effects of the current economic and housing downturn.

Taking account of the consultation responses, the wider policy context and the latest financial position, the final budget strategy being proposed included:

- a council tax increase of 1.9% for 2010/11;
- a savings package of £5.2m (including education) for 2010/11 by continuing to streamline and restructure the organisation and reducing waste and bureaucracy;
- an Investment Programme focussed on extra funding for Adult and Children's Social Care services, plus the establishment of a Community Fund which would engage and involve the community in allocating funding at a neighbourhood level;
- a capital investment programme focussed on transforming and improving the Borough, including regeneration of the Borough Towns, Town Centre, New Town Estates and improving the infrastructure like roads and street lights for the long term;
- use of £0.98m balances to support the ongoing revenue budget;
- an additional £0.5m contingency for 2010/11 to cover potential social services pressures.

The report on the Capital Programme presented the Council's Capital Strategy for 2010/11 – 2012/13 and later years and a capital programme of £433.624m that included the proposed investments contained in the overall budget strategy. It also set out the Council's Asset Management Plan and proposed planned building maintenance programme, particularly focusing on 2010/11.

The report on the Treasury Management Strategy updated members on recent Treasury Management activities undertaken and outlined the proposed Treasury Management Strategy and Borrowing Limits and Prudential Indicators for 2010/11, together with the Minimum Revenue Provision Policy and the Investment Strategy. The report was based on the Guidance on Local

Authority Investments issued by CLG and the revised CIPFA Treasury Management Code of Practice 2009. The Audit Committee had scrutinised the Treasury Strategy, and their comments had been incorporated in the report.

The report on Prudential Indicators sought approval of the prudential indicators for 2010/11 to 2012/13 required under the Prudential Code of Capital Finance in Local Authorities.

The Value for Money Scrutiny Group had considered the budget proposals, and the Group's comments and recommendations were circulated at the meeting. Councillor W. Tomlinson, Chairman of the Value for Money Scrutiny Group, was invited to present the Group's proposals. There was general support for the overall service and financial strategy put forward, although there were some specific comments that the Group wished the Cabinet to consider. These included concerns that, despite the planned additional investment, there was still a significant risk of an overspend on Children's Services in 2010/11, and the risk of shortfalls in rental income from the Council's Property Investment Portfolio. The Group had conflicting views on the strain that additional borrowing to fund regeneration schemes would put on the budget, particularly in later years. The Group welcomed the proposed council tax increase of 1.9%, and also noted the continuing adverse impact (to the tune of £5m in 2010/11) of the Government's revenue grant dampening mechanism.

Councillor E.A. Clare expressed concern at the level of debt being built-up, which might fall on council tax payers in future years. However, the proposed council tax increase was welcomed.

Councillor G.M. Green (Independent/Lib Dem Group Leader) thanked the Chief Executive for providing the opposition Groups with separate briefings on the service and financial planning proposals.

In response to some of the comments of the Value for Money Scrutiny Group, the Cabinet Member stated that in relation to rental income from the PIP, there were contingencies in place if there was a shortfall in income. Other Cabinet Members also spoke in favour of the budget proposals, and the need for the Council to take a lead on regeneration during difficult economic times.

The Leader stated that this was a very exciting budget for people and places in the Borough. He expressed disappointment that the main Opposition Group had not produced any detailed alternative budget proposals, despite comments that had been made in the local press.

**RESOLVED – that Cabinet RECOMMEND to Full Council, on 4<sup>th</sup> March:**

**Service & Financial Planning 2010/11–2012/13 – Overview and Revenue Budget**

- (a) that the Base Budget summarised in Appendix 1 of the report be approved;

- (b) that the new 2010/11 revenue investment of £1.9m in services for Children & Families and £1.675m in services for Adult Social Services be approved;
- (c) that the creation of a contingency of £0.5m to cover further potential social services pressures be approved;
- (d) that the Investment Programme for 2010/11 and its funding, as outlined in Appendix 3 of the report, be approved; and that the investment programme for future years be noted;
- (e) that the 2010/11 Savings Package of £4.726m, as detailed in Appendix 4 of the report, plus £0.5m in Education services, with an outline target of at least £5m additional savings in both 2011/12 and 2012/13, and associated costs of £0.400m relating to the implementation of the service reviews be approved;
- (f) that the Education budget strategy, as outlined in paragraph 5.7 of the report, be approved;
- (g) that the use of £0.98m balances to support the ongoing revenue budget, plus the associated policy for Reserves and Balances shown in appendix 5 of the report, be approved;
- (h) that the Statement of the Chief Finance Officer in paragraph 5.8.2 of the report (supported by appendix 5 outlining the Robustness of Budget Estimates and Adequacy of Reserves) be approved;
- (i) that the policy framework for Reserves outlined in Appendix 5C of the report be approved;
- (j) that a Council Tax increase of 1.9% - an increase equivalent to 31p per week on the average bill for this Council's services – be approved, and that future increases will also be held at, or below, this level for the 3 year planning period, subject to the impact of the next 3 year grant settlement starting in 2011/12;

#### **Service & Financial Planning 2010/11-2012/13: Capital Programme**

- (k) that the report and associated capital estimates which incorporates the Capital Strategy, the capital programme (Annex II), the planned building maintenance programme (Annex III) and Asset Management Plan (Annex IV) be approved;

#### **Treasury Management Strategy and Update**

- (l) that the Treasury Management Strategy, Minimum Revenue Provision Policy and Investment Strategy for 2010/11, as outlined in the report, be approved;
- (m) that the revised CIPFA Treasury Management Code of Practice 2009 and revised Treasury Management Statement be adopted;

#### **Prudential Indicators**

- (n) **that the Prudential Indicators proposed in the report be approved as part of the setting of the Budget for 2010/11.**

**CB-155      2009/10 FINANCIAL MONITORING**

**Key Decision** identified as **Financial Monitoring and Financial Updates** in the Forward Plan published on 15 January 2010.

Councillor S M Kelly, Cabinet Member: Efficient, Community Focussed Council, presented the report of the Head of Finance, which provided Members with the latest financial monitoring information for 2009/10.

Overall revenue spend was currently projecting to be within budget by year end. However, the cost of Looked After Children had increased again by over £0.5m since the last report, with an overspend of £1.816m currently being projected (which was after taking into account the £1.4m additional funding previously agreed). The overspend on Specialist Education had reduced and now stood at £0.525m. Some one-off funds had been identified which assisted the overall position, however the underlying cost was a key pressure that needed to be closely monitored. Additional costs relating to winter maintenance were starting to emerge as a result of the exceptionally cold weather, with a projected overspend of £0.240m. Increased benefits of £0.130m had arisen from concessionary travel due to changes in demography, and the position on treasury management had further improved by £0.100m. Details of all the projected variances within each service delivery area were outlined in the report.

The 2009/10 approved capital programme was £69.3m; to date 40% spend had taken place. The capital programme relied on a significant amount of capital receipts as part of its funding and the current monitoring highlighted some delays and reductions against assumed sale prices starting to emerge.

Council tax collection and Adult Social Care sales ledger were ahead of target; NNDR and General Sales Ledger were behind target which was a reflection of the impact of the recession. It was also noted that targets were adjusted to take into account the economic conditions.

In terms of the payment of invoices, the target for 2009/10 was to pay 95% of invoices within 20 days; overall year to date performance was below that at 93%. September and November were particularly poor months and Service Delivery Units were asked to review processes to ensure prompt processing of invoices so that the target was met by year end.

**RESOLVED –**

- (a) **that the further rise in the Children & Families overspend be noted;**

- (b) that it be noted that the projected spend overall was still within budget, but very little contingency remains to cover the last quarter's activities;
- (c) that the performance on Treasury Management and against targets for income and the payment of supplier invoices be noted;
- (d) that approval be given to the new capital allocations, capital virements, and re-phasing detailed in Appendix III of the report to go forward to full Council for formal approval.

**CB-156      8 MONTH PERFORMANCE MANAGEMENT REPORT 2009/10**

**Non-Key decision**

Councillor S.M. Kelly, Cabinet Member: Efficient, Community Focused Council, presented the report of the Assistant Chief Executive, which set out the performance against the Council's corporate priorities as at the end of November 2009.

Performance and targets were currently available for 183 out of 397 indicators in the corporate performance framework. Of these 183, it was projected that 67% of overall targets would be achieved. The number of Performance Indicators (PIs) projected to improve by year end was 61%, with 30% deteriorating. Key areas of good performance were highlighted, including supporting vulnerable people to live independently, an increase in the number of looked after children reaching Level 4 in English at KS2, and further reductions in household waste collected as a result of recycling and composting.

The economic downturn was having an impact on some targets, particularly around the 'Efficient, Effective Council' priority, which was currently projecting that 58% of indicators would deteriorate, and on some Local Area Agreement targets around housebuilding and employment. It was noted that the Government Office West Midlands had commenced a review of LAA targets in the context of the impact of the recession on 'achievable performance'. An overview of the strengths and challenges for each of the Council's priorities was detailed in the report.

**RESOLVED –**

- (a) that the implications of the ongoing impact of the recession on Council performance be noted;
- (b) that the areas of performance identified as a focus for improvement by year end be noted.

**CB-157      CENTRAL TELFORD AREA ACTION PLAN – PROPOSED AMENDMENTS FOR PUBLIC EXAMINATION**

**Key Decision** identified as **Central Telford Area Action Plan** in the Forward Plan published on 15 January 2010.

Councillor A. Lawrence, Cabinet Member for Environment & Rural Area, presented the report of the Head of Planning & Transport, which detailed proposed amendments to the Central Telford Area Action Plan for consultation and subsequent submission to the Planning Inspectorate. An amendment to the recommendation at paragraph 2.2 was proposed, so as to allow all Cabinet members to be consulted on any changes to the key documents prior to submission.

The Central Telford Area Action Plan (CTAAP) would provide a planning policy framework for the development of Telford town centre and surrounding areas. The draft document had previously been approved for independent examination by a government appointed inspector. At an Exploratory Meeting, the Inspector had expressed reservations about the submitted plan on the grounds of soundness. In order to address the concerns raised by the Planning Inspector, the examination had been suspended for 6 months to allow the Council to undertake further work, with several new studies undertaken and additional content produced. The key proposed changes to the CTAAP included more detail on distribution of uses in the town centre, proposed highway improvements and parking standards, more detail for allocated sites outside the town centre, a policy approach to achieve more sustainable buildings, policies on the establishment and management of the evening and night-time economy in the town centre, and a percentage target for affordable housing.

The proposed amendments were identified in the revised Action Plan and Sustainability Appraisal documents attached to the report. Subject to the proposed revisions and additions being approved by full Council, a 6 week public consultation would be undertaken between mid March and the end of April. Comments would be invited on the proposed amendments only. Any representations received, along with the revised CTAAP and supporting documents, would then be submitted to the Planning Inspector.

**RESOLVED-**

- (a) **TO RECOMMEND TO COUNCIL that the proposed amendments to the Central Telford Area Action Plan, as shown at Appendix 1 of the report, be approved, in order that the amendments and supporting sustainability appraisal (as shown at Appendix 2 of the report) can be published, subject to consultation, and, along with representations received, submitted to the Secretary of State for examination in public;**
- (b) **that authority be delegated to the Head of Planning & Transport, in consultation with Cabinet Members, to agree any changes to the**

documents at Appendix 1 and 2 prior to submission to the Secretary of State.

**CB-158      BTI SPORTS AND LEARNING COMMUNITIES: TENNIS AND LEISURE UPDATE**

**Key Decision** identified as **School Organisation/Capital Financing/Borough Towns Initiative/Building Schools for the Future** in the Forward Plan published on 15 January 2010.

Councillor S. Bentley, Cabinet Member: Active Lifestyles – Leisure & Culture, presented the report of the Head of Leisure & Customer Services and the Head of Property & Design, which updated Members on the progress of a number of sports and leisure projects within the BTI: Sports & Learning Community programme, including the development of Telford's indoor tennis centre.

Approval had previously been given for submission of a Stage 2 bid to the Lawn Tennis Association for an indoor tennis centre to be sited on land adjacent to Hadley Learning Community. On further development of this proposal, it was established that this location did not offer best value for money, both in terms of the capital build cost and the ongoing operation of the centre, due to a number of technical and legal issues. A strategic and technical appraisal of alternative locations in the Borough had therefore been undertaken. This had identified a site on land adjacent to Oakengates Leisure Centre as the most favourable in terms of community usage, ground conditions, co-location of other sports facilities and clubs, and a strong programme of use for hard to reach groups.

The Lawn Tennis Association was supportive of the change in location, and had requested that a Stage 2 funding application now be submitted by the end of March 2010 rather than May 2010. The capital costs of the scheme were detailed in the report, and in terms of ongoing revenue costs, it was projected that the Tennis Centre would be in a self funding position (including payback of the initial Council investment) by the end of the current medium-term service and financial planning strategy.

The report also provided updates on the progress of other sports and leisure projects, including the Sports & Learning Communities at Abraham Darby, Dawley, Lakeside, Oakengates and Priorslee, and the Wellington Civic Quarter.

Members welcomed the additional investment that the Tennis Centre would bring to the Oakengates area, and the clear demonstration of the benefits that the BTISLC programme was bringing to the Borough Towns.

**RESOLVED –**

- (a) that the progress on sports and leisure projects within the Borough wide BTI: Sports & Learning Community Programme be noted;
- (b) that the proposal to build the indoor tennis centre on land adjacent to Oakengates Leisure Centre at a capital build cost of £2.21m be approved, to be funded as outlined in paragraph 11 of the report and included within the 2010/11 budget strategy for approval by full Council;
- (c) that the projected neutral ongoing impact of the indoor tennis centre on the revenue budget be noted;
- (d) that authority be delegated to the Head of Leisure & Customer Services, in consultation with the Cabinet Member for Active Lifestyles, to submit a Stage 2 funding application to the Lawn Tennis Association;
- (e) that authority be delegated to the Head of Leisure & Customer Services and Head of Property & Design, in consultation with the Cabinet Member for Active Lifestyles, to start the necessary enabling and ground works for the tennis centre in May 2010 in order to meet the required timescales.

**CB-159      CARBON REDUCTION COMMITMENT (CRC) ENERGY EFFICIENCY SCHEME**

**Key Decision** identified as **Carbon Reduction Commitment – CRC Energy Efficiency Scheme** in the Forward Plan published on 15 January 2010.

Councillor A. Lawrence, Cabinet Member: Environment & Rural Area, presented the report of the Head of Planning & Transport and the Head of Property & Design, which informed Members of the implications of the new CRC Energy Efficiency Scheme.

The CRC scheme was due to come into force on 1 April 2010, and would be based upon the amount of electricity consumed. The scheme would include Telford & Wrekin Council along with 5,000 public and private sector organisations. It was essentially a carbon trading scheme, and the report set out the timetable and key stages associated with its introduction. The first year (2010/11) would require organisations to monitor and report consumption. This would establish the Council's position in an annual league table of the organisations included in the scheme. From April 2011, participants would be required to purchase their carbon allowance for that financial year relative to their 2010/11 performance on carbon emissions. Based on the Council's 2008/09 performance, this would equate to a purchase price of £340,000 given the proposed £12 per tonne fixed price of carbon. In October 2011, the Government intended to recycle the money raised from the sale of allowances

back to the participants. The Council's CRC performance would determine whether it would receive a penalty or bonus. Action to address carbon emissions was therefore necessary to ensure positive performance, and this would be the subject of a further report.

'Early actions' that would benefit the Council's CRC position were to acquire the Carbon Trust standard accreditation and to fast-track the installation of energy management systems/automatic meter readers in operational buildings in 2010/11.

**RESOLVED –**

- (a) that authority be delegated to the Head of Planning & Transport, in consultation with the Cabinet Member: Environment & Rural Area, to oversee carbon performance and to report on performance;**
- (b) that the progress made so far on 'early actions' to enhance the Council's baseline position be noted.**

**CB-160      REPRESENTATION ON OUTSIDE BODIES**

**Non-Key Decision**

Councillor S.M. Kelly, Cabinet Member: Efficient, Community Focussed Council, presented the report of the Head of Regeneration & Housing which sought representatives from the Council to be appointed to the Telford Millenium Community (TMC) Steering Group and the Ironstone (Lawley) Steering Group.

Both TMC and Ironstone were major housing sites that would continue to deliver a significant number of dwellings over the next 5 years and beyond. Given the new relationship the Council had developed with the Homes & Communities Agency through the preparation of the Local Investment Plan, it was important that the Council supported the delivery of these strategic sites and ensured that design quality and other standards were maintained.

The Steering Groups' role had changed as the projects moved from consultation to construction, and their terms of reference had been refreshed to ensure that the projects continued to get the necessary strategic overview and that the guiding principles of each scheme were not diluted.

**RESOLVED –**

- (a) that the Cabinet Member: Housing, Regeneration & Prosperity, Councillor S.M. Kelly (Ward member for Ketley & Oakegates) and the Corporate Director (Strategic lead) for Housing, Regeneration & Prosperity be appointed as the Council's representatives on the Telford Millennium Community Steering Group ;**

- (b) that the Cabinet Member: Housing, Regeneration & Prosperity, and the Corporate Director (Strategic lead) for Housing, Regeneration & Prosperity be appointed as the Council's representatives on the Ironstone (Lawley) Steering Group.

**CB-161      EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** - that the press and public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

**CB-162      REGENERATION OF HADLEY CENTRE**

**Key Decision** not in the Forward Plan (taken with the consent of the Chairman of the Scrutiny Leadership Board, in accordance with paragraph 2.7 of the Cabinet Decision Procedure Rules as set out in Part 4, Section 4 of the Constitution).

Councillor E.J. Carter, Cabinet Member: Housing, Regeneration & Prosperity, presented the report of the Head of Property & Design which set out proposals for the regeneration of the Hadley Centre.

Hadley Centre, consisting of 21 retail units owned and managed by the Council and 24 residential properties, had increasing repair liabilities due to its age, design and condition. An opportunity had arisen for the site to be redeveloped to provide a modern retail facility together with a new private housing development. A copy of the indicative master plan was attached to the report. The report outlined the proposed phasing of the development, and the land and property disposals and acquisitions that were required. Details of the costings of the scheme were provided in the report, and it was reported that the total capital and revenue expenditure would be included in the budget framework for 2010/11 to 2012/13 for approval by full Council.

Members welcomed the proposals which would benefit an area that was clearly in need of regeneration.

**RESOLVED** –

- (a) that the regeneration of Hadley centre (site area as shown in Appendix 1 of the report) be approved in accordance with terms to be agreed by the Head of Property & Design;
- (b) that the total capital and revenue expenditure as detailed within section 11 of the report be approved for inclusion within the budget framework for 2010/11 to 2012/13.
- (c) that the additional funding for 2009/10 and 2010/11 as detailed in section 11 of the report to enable the commencement of land assembly for the project be recommended for approval;

- (d) that the disposal of an element of the site as shown on the plan at Appendix 1 of the report be approved in accordance with terms to be agreed by the Head of Property & Design, and for the capital receipt to be applied to the overall scheme as detailed within the report;
- (e) that the Head of Governance be authorised to agree and execute all necessary documentation;
- (f) that the Head of Planning & Environment be authorised to execute the use of Compulsory Purchase powers if and when necessary, following consultation with and advice from the Head of Governance.

The meeting ended at 6.10 p.m.

**Signed for the purposes of the Decision Notices**

**Jonathan Eatough  
Head of Governance  
Date: 1<sup>st</sup> March 2010**

**Signed: .....**

**Date: .....**